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JUL 09 2013

Hon. Jeffrey C. Cohen
Acting Secretary
New York State Public Service Commission
Three Empire State Plaza
Albany, New York 12223-1350

Comments on New York Public Service Commission Case
Case No. 13-E-0199
In the Matter of Electric Vehicle Policies

Dear Secretary Cohen:

The New York State Department of Environmental Conservation (Department) offers the following comments on New York State Public Service Commission (Commission) Case 13-E-0199, In the Matter of Electric Vehicle Policies, issued May 22, 2013.

In order to reduce emissions of criteria pollutants and greenhouse gases, the New York State Department of Environmental Conservation adopted the recent revisions to California's Zero Emissions Vehicle (ZEV) program which will require manufacturers to sell increasing numbers of ZEVs in New York over the coming years. Plug-in electric vehicles (PEVs), both plug-in hybrids and battery electric vehicles, are eligible for credit under the ZEV program. Given this interest in the deployment of plug-in vehicles, the Department submits the following comments for the Public Service Commission's consideration as it develops related policies. The numbering of the comments below corresponds to the outline of the Notice for the case.

Jurisdiction over Charging Stations:

1. We fully support policies that encourage the investment in and development of electric vehicle charging equipment (EVCE), also known as electric vehicle supply equipment (EVSE), infrastructure in New York State. Several states have either passed or are in the process of changing regulations to accommodate and encourage EVSE deployment. While we fully support and encourage EVSE and electric vehicle adoption, we defer to the Public Service Commission's expertise on how best to amend PSC policy regarding regulated or non-regulated facilities. We can point to some recent regulatory guidance, and specific examples of policy changes that other states have enacted. For example, the U.S. Department of Transportation, Federal Highway Administration, funded an action plan prepared by the Center for Climate and Energy Solutions (C2ES) that recommends:

> PEV service providers not acting as utilities should not be regulated as utilities, but PEV service providers that wish to procure electricity at wholesale should be subject to the

same regulations as any other entity with access to wholesale markets. State and local government should require typical consumer protections related to market competition. [1]

Additionally, several states have amended their definitions of regulated public utilities to exclude EVSE providers from the definition of regulated utilities. [2] [3] [4] [5]

Impact of PEV Charging on Electric Infrastructure:

6. (a) We agree there may be need for utilities to be notified of changes to the existing infrastructure as PEV adoption grows, in order to minimize any potential distribution impacts. It may be possible to establish a system that informs the utility of customer EV purchases, without violating personal privacy issues. For example, California has proposed legislation that would allow the CA Department of Motor Vehicles to release an EV owner's residential address to an investor-owned utility, while at the same time addressing privacy concerns.[6]

(b) We fully support the State's photovoltaic (PV) policies and their relation to publicly available EVSE charging stations. PV has the potential to take EV "off grid" at times when the electrical demand is highest. Typical peak demand often coincides with the highest sun angle and air pollution ozone or particulate matter (PM) advisories. Expanding PV at EVSE installations would provide a sustainable and renewable energy transport fuel directly reducing peak electrical demand.

Utility Metering and Rate Issues:

7. We support the Commission's authority to implement TOU rate structures to encourage EV adoption, and also encourage consumers to charge at non-peak times. Encouraging customers to charge their vehicles during off-peak periods has several benefits. Firstly, off-peak charging places less strain on the distribution system, thus avoiding adverse impacts to the electric grid and reduces the need for costly infrastructure upgrades.

Secondly, marginal or off-peak generating units tend to be cleaner and more efficient than peaker plants. Shifting the load to these more efficient plants decreases emissions of HC, CO, NOx, PM, and CO2. Peak power demand often occurs during peak ozone formation, which is mid to late afternoon on very hot days. Shifting these emissions to non-peak times is highly advantageous in reducing air pollution. TOU rates will provide the consumer with financial incentives to charge during off-peak times, which directly correlates with the objectives of cleaner air and reduced stress on the distribution infrastructure.

To accomplish these goals, it may very well be necessary for the Commission to modify existing rate structures. For example, Central Hudson is in the process of developing a special rate class

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[1] http://www.fhwa.dot.gov/environment/climate_change/energy/resources_and_publications/pev_action_plan/page03.cfm

[2] http://lis.virginia.gov/cgi-bin/legp604.exe?111+sum+HB2105

[3] http://www.flsenate.gov/Laws/Statutes/2012/Chapter366/All

[4] http://leginfo.ca.gov/pub/11-12/bill/asm/ab_0601-0650/ab_631_bill_20111006_chaptered.html

[5] http://www.ilga.gov/legislation/publicacts/fulltext.asp?Name=097-1128

[6] http://www.leginfo.ca.gov/pub/11-12/bill/sen/sb_0851-0900/sb_859_cfa_20110411_102141_sen_comm.html

for electric vehicle recharging to encourage off-peak recharging. However state regulators must first approve this before it can be implemented.[7]

9. Additional metering policies may be needed to accommodate EVSE. We would defer to the Commission's expertise on what metering protocols would work best for NYS. States are still exploring options as to how to distinguish between normal household electrical usage, and transportation electrical usage. ECOtality has a very good reference on lessons learned from their ongoing EV project.[8] As EV usage increases it may become very important to establish a cost structure that could incorporate EV highway usage costs. Additionally as smart grid technology becomes available, these same meters may provide the means to control electrical flow into and out of the grid.

Increased use of PEVs will contribute to reductions in criteria air pollutant and greenhouse gas emissions, as well as improvements in transportation energy efficiency. We support actions that encourage the development of the necessary infrastructure while maintaining electric grid reliability and equitable cost allocation. If you have any questions, please contact Gil LaDuke, P.E. of the Bureau of Mobile Sources and Technology Development at (518) 402-8292.

Sincerely,

J. Jared Snyder
Assistant Commissioner
Air Resources, Climate Change, and Energy

[7] http://www.centralhudson.com/electricvehicles/
[8] http://www.theevproject.com/cms-assets/documents/103425-835189.ri-2.pdf